EXHIBIT NO 5

DATE 1/20/09

SB189 - Clarifying laws covering disposition of fines and settlements (Sen. Joe Balyeat) 1881 NO

Legislative Audit Committee issue – bipartisan co-sponsors because there was bi-partisan concern during the audit committee hearing.

Look at the audit report of the AG's office.

- 1) Need definition of excess funds.
- 2) Need time frame.

AG's response: Disagreed, thought he should get to distribute the money rather than have it go back to the General Fund for the Legislature to distribute. AG said it was "settlement", not fines, costs, or fees; and he appointed an advisory council to provide him with the cover necessary to distribute the money, rather than return it to the General Fund where it'd be subject to the legislature's appropriation process.

Problems with AG's interpretation:

- 1) date problem (M. Tropila).
- 2) AG's resolution directly contradicts his rationale.
- 3) Audit report says his own staff thought the money was subject to the reversion requirements of 30-14-143 and 30-14-226.
- 4) I don't believe there is any statutory authority for this advisory council.

In what some have described as an 11<sup>th</sup> hour move before leaving office, the AG distributed in excess of \$1.5 million in public funds to private organizations of his choosing, I'm distributing the list.

The question is not whether these are deserving entities. They may well be. But the question is whether the AG, or any other public official should be able to dish out millions of dollars without authorization by the legislature, and without benefit of the appropriations process.

So in addition to the two needs dictated in the audit report, the AG's response necessitates the 3<sup>rd</sup> item which this bill addresses --- all this money should be subject to the legislative appropriation process, regardless of whether it's called fines, costs, fees, or <u>settlement.</u>

\_ SB189 addresses all three issues, the amendment before you is based on suggestions from Sen. Laslovich, and I'll let him speak for himself, but I believe he's supports the bill as amended. I'll sit for any proponents, or infoponents, and answer your questions, and reserve the right to close.